

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 26 SEPTEMBER 2017

**DEVELOPMENT OF A NEW LANDFILL CELL – PROCUREMENT AUTHORITY APPROVAL
REQUEST**

REPORT BY HEAD OF HOUSING, REGULATORY AND PROTECTIVE SERVICES

ABSTRACT

The current landfill cell at Restenneth landfill site is forecasted to be filled to capacity by Spring 2018. This report brings forward a proposal for procuring a contractor to carry out engineering works to develop a new landfill cell at the site.

1. RECOMMENDATION

It is recommended that the Committee:

- (i) authorises the Head of Housing, Regulatory and Protective Services to procure the development of a new landfill cell at Restenneth landfill site on the basis set out in this report.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME
AGREEMENT/CORPORATE PLAN**

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Our communities are developed in a sustainable manner.

3. BACKGROUND

3.1 Restenneth landfill site is used primarily for the disposal of residual waste collected at Angus Council recycling centres and as a disposal point for kerbside collected household residual waste when the DERL waste to energy plant is out of operation. In addition there are a small number of commercial customers that use the site and are charged a set price per tonne. Approximately 30,000 tonnes of material is disposed at Restenneth landfill site each year.

3.2 The Restenneth landfill site and the adjacent Lochhead landfill site (now closed) have systems in place to collect methane gas and treat leachate (waste water). A leachate treatment plant is located on site. An engine on site is used to transform recovered methane gas into electricity, which is sold back into the main grid.

3.3 The management and development of landfill sites are heavily regulated by SEPA and there is a requirement for new landfill cells to be fully lined and isolated from surrounding land. In order to ensure that there is a secure disposal an HDPE liner is used in conjunction with a compacted clay liner to make sure the cell is safely contained.

3.4 Restenneth landfill site is made up of a series of cells that have been filled then capped. The current landfill cell is forecasted to be filled to capacity in Spring 2018. Given the longer term requirement for landfilling of Angus Council collected residual waste there is the requirement to develop a new landfill cell. The cell will be designed to provide capacity for approximately 2 years of residual waste based on current forecasts. This would provide a suitable and affordable disposal point for council collected residual waste up to approximately mid-2020. The Waste (Scotland) Regulations 2012 introduces a ban on biodegradable waste to landfill from 1 January 2021, therefore an alternative disposal method and destination will need to be identified once this cell has been filled.

- 3.5 A contractor is required to carry out the necessary engineering works to develop the new landfill site. The works would include import of materials such as gravel and clay to site, provision and installation of HDPE liner systems, supply and installation of welded pipework for leachate recovery and installation of leachate monitoring wells.

4. PROCUREMENT AUTHORITY

- 4.1 It is proposed that the contract for development of a new landfill cell at Restenneth is procured in the same successful manner as done for previous landfill cells. This means an “open” tender procedure and proceeding as a single-stage competition open to all interested parties that meet minimum qualification requirements. Full details of the methodology, scope and parameters are contained in **Appendix 1**.
- 4.2 In accordance with the process stated in Section 16.8 and 16.24.16 of the Financial Regulations, if members approve this report it would mean that the contract and further extensions to the contract can be accepted without the need for further committee approval. In accordance with the current arrangements the contract award will be the subject of an ‘Information Report’. This procurement is not considered to be a “major procurement” in terms of Financial Regulation 16.8.4.

5. FINANCIAL IMPLICATIONS

- 5.1 The current capital financial plan includes a capital allowance of £760,000 in 2017/18 and £30,000 in 2018/19 for development of the new landfill cell. The council’s technical advisor has provided a detailed cost estimate totalling £765,000 for the development of the new cell. It is therefore anticipated that the contractor’s cost for development of the new landfill cell will be contained with the existing capital financial plan.

6. OTHER IMPLICATIONS

Risk/ Mitigating Actions

- 6.1 An assessment has being undertaken for this procurement and has initially identified risk associated with the ensuring value for money and quality of service. Currently no other significant risks have been identified. Regulatory and Protective Services have experience of procuring contracts of this nature in a timely manner and every measure will be taken to ensure that the contract is effectively managed. The initial assessment has identified the following risks:

Risk	Mitigating Action
Ensure best value	The price received will be compared against prices previously received for development of a new landfill cell and the detailed cost estimate that has been prepared. External technical advisor with relevant expertise and experience will be used to develop specification of requirements and evaluate submitted tenders.
Quality of service	Technical advisors are retained by the Council who have engineering expertise and previous experience of managing similar projects.

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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List of Appendices

Appendix 1 – Procurement Authority Request

APPENDIX 1 - PROCUREMENT AUTHORITY

1 Sourcing Strategy

The Head of Housing, Regulatory and Protective Services considers that the development of a new landfill cell at Restenneth landfill site is an essential requirement to provide a secure and suitable disposal option for residual waste collected by the Council. Alternatives to procuring the supply have been considered and it was concluded that there were no alternative delivery to procurement of the required supply which is appropriate.

The supply market has been analysed and it is considered that the market for this supply is reasonably competitive. The required supply is readily available from a wide range of suppliers. As there are no suitable national Frameworks to utilise, a single stage "open" competitive tender approach is considered to be likely to deliver best value to the council for this requirement.

The impact on the locally-based supply chain of going to tender for this requirement has also been considered and is considered to be minimal.

There has been no consultation with our Tayside Procurement Consortium (TPC) partners, Dundee City Council, Perth & Kinross Council and Tayside Contracts. This is because the other authorities do not operate landfills and therefore there are no opportunities for collaboration. There has however been previous consultation regarding overall strategy for residual waste disposal and treatment.

The procurement is not considered to be a "major procurement" in terms of Financial Regulation 16.8.4. Approval of this Report would mean that the contract can be accepted without the need for further approval by the relevant committee. In accordance with the new arrangements the contract award will be reported to the Corporate Services Committee for noting only.

2 Key Terms Proposed

It is envisaged that the contracts will commence on 1 January 2018 and will be completed on 15 April 2018. This is the planned completion date for the works on site.

The value of the supply is estimated at £765,000 over the whole life of the contract based on detailed cost estimate provided by technical advisor.

3 Procurement Procedure

It is considered that a single stage "open" tender procedure would be the best means of procuring the required supply here. This is because (a) there is likely to be a high degree of interest in bidding for the contract among suppliers however the number of potential bidders is not considered to be excessive and experience from similar procurements has shown that a single stage "open" procedure is effective and efficient; and (b) the quality of the supply is important and bidders will still have to satisfy qualification criteria in order to be considered.

The contract opportunity will be advertised on the Public Contracts Scotland Portal in accordance with council policy and as a means of securing good competition to deliver best value for money. The council's retained technical advisor SWECO will be commissioned to manage the procurement of the contractor. This is based on their specialism and experience in landfill engineering and procurement of similar contracts. Evaluation of bidders will be carried out by SWECO but a tender report will be prepared and reviewed by relevant officers.

4 Contract Evaluation on Award Basis

Completed tenders shall be evaluated and the contract will be awarded on the basis of the most economically advantageous. A high weighting for price has been applied based on knowledge that the suppliers will have to have demonstrated their basic competency to qualify, and the key requirement for an economically advantageous contract

The Corporate Procurement Manager has been consulted on the proposed procurement process and outline requirement and is satisfied that that this approach is suitable and likely to produce best value for the Council.

5 Procurement Risks

A risk assessment has been undertaken for this tender and, other than the normal risks inherent in any contract, no significant risks have been identified.